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May 15, 2003

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1911-1974

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VIA FEDERAL EXPRESS

The Honorable Sara Kyle, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505


Re: Docket No. 03-00072  
Electric Power Board of Chattanooga

Dear Chairman Kyle:

We are enclosing an original and thirteen copies of the information and documentation compiled by the Electric Power Board in response to Joe Werner's letter of April 10, 2003.

Please contact us if you need any additional information or documentation.

Sincerely yours,



William C. Carriger  
For the Firm

WCC:tm  
EPB/TEL - #184  
Enclosures

### **Responses to TRA Letter Dated 04/10/2003**

- 1) The interest rates used to calculate the interest expense for the loan from EPB Electric Division to the Telecommunications Division is the highest of the prime rate or the highest rate then earned by EPB on invested electric plant funds. Please note that this exceeds the requirement of TRA Docket No. 97-07488 to use "the highest rate then earned by the municipality on invested electric plant funds" and resulted in \$518,769 of additional interest expense being charged to the Telecommunications Division in 2000, 2001, and 2002. Schedule 1 shows the calculations of the interest expense for the three years in question. The prime rate was greater than any invested electric plant fund rate except for the period of September 2001 through January 2002.**
- 2) In 2000 the EPB Telecommunications Division was allocated \$51,053.78 of PC costs, \$32,184.15 of mainframe labor costs, and \$17,342.36 of other mainframe expenses. The mainframe costs should not have been allocated to the Telecommunications Division since it was never connected to the EPB Electric Division mainframe. Instead the Telecommunications Division used an AS/400 whose entire cost was charged to the Telecommunications Division. The PC allocation of \$51,053.78 was based on the ratio of the number of Telecommunications Division PCs divided by the total number of EPB PCs times the total EPB PC Network charges. In 2001, the allocation was based on the number of budgeted Telecommunication PCs divided by the total number of budgeted EPB PCs times the projected salaries of six information technology employees that were available to provide PC network services to both the Telecommunications and Electric divisions. In 2002, in response to Telecommunication Division's contention that no services were being received from the IT Department, a budgeted amount of \$2,000.00 was used, which is very close to the 2001 allocation. The 2001 and 2002 allocations were all PC costs and did not include any mainframe costs.**
- 3) Schedules 3A, 3B, and 3C summarize the pole attachment agreements for 2000, 2001, and 2002 respectively. The "current rate" shown on the schedules is determined at the end of each year and retroactively adjusted for that year. Schedule 3D shows the rates billed to the Telecommunications Division and the actual rates used for the adjustment made in 2003 of \$3,785.26. At this time we have no conduit rental agreements with anyone except the Telecommunications Division.**
- 4) Schedule 4 shows what we believe our audit and annual report allocations should have been for 2000, 2001, and 2002. These allocations are based on actual costs that are only known after the year end close. The audit allocation to Telecommunications is 5% for 2000, 10% for 2001, and 15% for 2002. These percentages are based on the approximate amount of time our auditors spent auditing the Telecommunications Division each year. The annual report allocation is 20% each year and is based on the approximately 20% of the annual report devoted to the Telecommunications Division. We should have allocated a total of \$58,412.39 (\$15,846.80-2000, \$22,212.12-2001, and**

\$20,353.47-2002) but instead allocated a total of \$47,825.00. The difference of \$10,587.39 will be allocated to Telecom in 2003.

- 5) EPB conducted a review of the life insurance benefit allocation during January 2003. Schedule 5 shows the results of that review. Except for July and August 1999, rates were either calculated incorrectly (by a factor of 12) or were omitted. The Telecommunications Division was charged \$3,617.04, \$1,262.07, and \$1,269.01 in years 2000, 2001, and 2002, respectively. The Telecommunications Division should have been charged \$12,607.69, \$15,144.84, and \$15,151.75 in years 2000, 2001, and 2002, respectively. The difference between what we should have charged and what was charged ( $\$42,904.28 - \$6,148.12 = \$36,756.16$ ) is being charged to the Telecommunications Division in 2003.
- 6) Schedule 6 shows the supporting calculations used to determine Worker's Compensation amounts for 2000, 2001, and 2002. Please note that Worker's Compensation was not allocated to the Telecommunications Division in 2000. Therefore, the Worker's Compensation total of \$3,502.13 for 2000 is being charged to the Telecommunications Division in 2003. The large increase in Worker's Compensation from 2001 to 2002 was the result of our carrier reclassifying a substantial number of the Telecommunications employees as "outside employees." This occurred during our annual renewal on February 1, 2002.
- 7) Schedule 7 shows the supporting calculations for dental insurance for 2001 and 2002. EPB is self-insured, we pay Delta Dental for administrative costs plus claims paid. Please note that the large percentage increase in dental insurance allocations from 2001 to 2002 was due to two factors. First, in 2001, of the total dental costs of \$10,401.97, \$1,895.65 was capitalized. The \$8,506.32 in dental benefits reported was the expense portion only. Second, the Telecommunications Division averaged nine more employees with dental coverage in 2002 versus 2001.
- 8) The pension charges for 2001 and 2002 were based on actuarial costs provided to EPB by McDaniel & Associates, Inc. Schedules 8A, 8B, and 8C are relevant pages from their reports for the actuary periods of August 1, 1999 through July 1, 2000; August 1, 2000 through July 1, 2001; and August 1, 2001 through July 31, 2002; respectively. Please note that on Page 2 of Schedule 8A that the maximum plan contribution of \$788,091, which EPB funded, was for EPB in total. For the period covered by Schedule 8A we were charging a monthly portion of this cost to the Telecommunications Division based on the ratio of Telecommunications labor to total EPB labor. For July 2000, \$4,563 was charged to the Telecommunications Division using this allocation method. In the next actuarial period, Schedule 8B, we requested that the actuary separate the pension costs for the Electric and Telecommunications Divisions. Page 11 of Schedule 8B shows the maximum plan contribution for the Telecommunications Division to be \$37,716, or \$3,143/month. Based on this result it appears that we were charging too much to the Telecommunications Division before August 2000. However, in 2001 we did charge a total of \$39,136 ( $\$4,563 + 11 \text{ times } \$3,143$ ) to the Telecommunications Division. We reported the expense portion of this amount, \$28,691.97, to you. An additional amount, \$10,443.66, was

capitalized in 2001 for the Telecommunications Division. For 2002, we charged \$3,143 in July per Schedule 8B. Page 12 of Schedule 8C shows the maximum plan contribution for the rest of actuary year 2002 to be \$83,032, or \$6,919/month. Therefore, we should have charged a total of \$79,252 ( $\$3,143 + 11 \text{ times } \$6,919$ ) to the Telecommunications Division for 2002. However, we only charged \$73,290.01 as reported to you. The difference of \$5,962 was caused when we erroneously used the minimum plan contribution of \$76,526 instead of the maximum plan contribution of \$83,032 on Page 12 of Schedule 8C [ $\$83,032 - \$76,526 = \$5,962$ ]. The additional charge for pension benefits of \$5,962 will be charged to the Telecommunications Division in 2003. See summary on Schedule 8D.

- 9) The post-retirement expenses for 2000, 2001, and 2002 were based on actuarial costs provided to EPB by McDaniel and Associates, Inc. Schedules 9A, 9B, and 9C are relevant pages from their reports for 2000, 2001, and 2002, respectively. Please note that on Page 7 of Schedule 9A that the plan contribution for EPB in total was \$770,808 for 2000. For the period covered by Attachment 9 we were expensing a monthly portion of this expense to the Telecommunications Division based on the ratio of Telecommunication's labor to total EPB labor. This resulted in \$36,057.88 of post-retirement expenses to the Telecommunications Division, which is 4.68% of the EPB total ( $\$36,057.88 / \$770,808.00 = 4.68\%$ ). In the next actuarial period of 2001, Schedule 9B, we requested that the actuary separate the post-retirement costs for the Electric and Telecommunications Divisions. Page 8 of Schedule 9B shows the post-retirement contribution for EPB in total as \$780,858, with Page 9 showing the Telecommunications Division portion being \$36,859. The \$36,859 is 4.72% of the total ( $\$36,859 / \$780,858$ ) which is almost exactly the same percentage we allocated in 2000 and gave us some assurance that our allocation method for 2000 was reasonable. In 2001 we did charge \$36,864.41 in post-retirement benefits to the Telecommunications Division versus the \$36,859 required (slight difference of \$5.41 due to monthly rounding). This total is different than the \$27,026.84 we reported to you because we did not include \$9,837.57 of post-retirement benefits that were capitalized in 2001 for the Telecommunications Division. For 2002, we charged \$43,284.00 in post-retirement benefits to the Telecommunications Division, as reported to you. This is the amount determined by the actuary on Page 9 of Schedule 9C.
- 10) The sick leave benefit was terminated in 2001 for all EPB employees. Therefore, there is no sick leave benefit for 2002.
- 11) Rent is based on the number of square feet occupied by EPB Telecom times a rate determined by including the cost to operate and maintain the EPB downtown office building (Direct costs-employee salaries, materials, power, cleaning & janitorial, security, transportation, maintenance of elevators, heating & air conditioning; Indirect costs-payroll insurance, property insurance, property tax equivalents, depreciation). Schedule 11 shows that the rate started at \$1.09 per square foot per month and was adjusted in February 2000 for a tax increase. EPB continues to maintain the \$1.15 rate even though costs have gone down. Rental reported in 2002, \$129,481.65, should have been \$101,974.82. In

2002, we inadvertently charged some Bellsouth co-location rentals to the Building Rental account.

- 12) In 2001, the Telecom Division was charged directly with \$2,036,915.27 of labor expenses. Of this amount, \$416,887.03 was capitalized into the Telecom plant accounts. The remaining \$1,620,028.24, reported for salaries, is the operational portion of the Telecom employee's labor costs. Column 1 of Schedule 12A lists the specific labor accounts in the previously provided "Operating Expenses & Other Deductions" that contain these operational labor expenses. Please note that the first two digits of the account number are the department and that the last two digits identify the type of expense (020 – regular labor, 021 – overtime labor, and 023 – commissions). Column 2 is the operational labor expense amount in each of these accounts, column 3 is the capitalized labor that was transferred to plant, column 4 is the total of operational and capitalized labor, column 5 is the total of operational and capitalized labor by department, and column 6 is the total wage cost from payroll. Note that timing differences cause some variation between columns 5 and 6. Schedule 12B provides a list of each Telecom employee by department who received wages in 2001, along with their hire date and termination date. Note that some employees worked in more than one department and are labeled as "Moved." Also, please note that the list of employees we provided to you previously only included employees working as of June 30 and did not include any "Student" hires. Schedules 12C and 12D provide the same information for 2002 as Schedules 12A and 12B do for 2001.
- 13) If you include capitalized labor for 2001, the total labor cost for 2001 is \$2,036,915.27. If you subtract that from the \$2,557,995.92 total labor cost for 2002, you get an increase in total labor costs of \$521,080.65 from 2001 to 2002. Most of this increase was due to the number of new hires late in 2001 that had partial-year salaries in 2001 versus full-year salaries in 2002. Commissions also increased by \$93,408.70 as sales and revenue increased.
- 14)
- a) The cost of publishing the annual report in 2000, 2001, and 2002 was previously covered in Item 4. The expenses for the annual report and annual audit are included together under the category "Annual Audit & Report" under Reporting Requirements (e).
  - b) Schedule 14A is a worksheet for allocating internal newsletters and other internal information. These items are distributed to both active employees and retirees. Therefore, in counting the average number of employees for Electric and Telecom, we included the number of retirees for each division. As shown, in 2000, 2001, and 2002, the allocations should have been \$2,599.94, \$3,021.78, and \$5,194.54, respectively. Therefore, we are allocating \$10,816.26 to Telecom in 2003 to cover these expenses which were not previously expensed to Telecom.
  - c) The Telecom Division was charged for all postage in 2002. The total for 2002 was \$9,828.08 and does not show up under Reporting Requirements (e) since it was a direct charge and not an allocation. Instead, the \$9,828.08 is in account number 306620.182 on Page 2 of the operating expenses previously provided to you. Schedule 14B is a worksheet for allocating the Telecom

postage for 2000 and 2001. The allocations for both years are based on the actual number of customers billed and the actual postage charges for 2002. By dividing the total postage charges for 2002 by the total customers billed for 2002, we determined an average postage charge per customer of 60.6 cents. We then multiplied this average charge per customer by the total number of customers billed for 2000 and 2001 to get the postage charges of \$69.69 and \$3,676.00 that should have been allocated for those years, respectively. Therefore, a postage allocation of \$3,745.69 will be charged to the Telecom Division in 2003.

- d) The Telecom division was allocated \$180.00 per month (\$2,160 for the year) in 2002 for the use of Remittance Processing. This allocation is included in the total for "EPB Overhead" under Reporting Requirements (e). There were no allocations made to Telecom for the use of Remittance Processing in either 2000 or 2001. Schedule 14C is a worksheet for allocating the Telecom use of Remittance Processing. The total allocation for 2000-2002 is \$4,005.68. Therefore, the Telecom Division will receive an additional allocation in 2003 of \$1,845.68 (\$4,005.68 minus \$2,160.00) for Remittance Processing.
- 15) Schedules 15A, 15B, and 15C list the Telecommunications Division plant by account for the years 2000, 2001, and 2002, respectively. All plant listed on the attachments is for the sole use of Telecom. The only plant allocated between electric and telecom is the fiber network. On most fiber runs, the Electric Division retains exclusive use of 12 fibers. Therefore, on 96 fibers, the Electric Division would pay for 12.5% of the cost of the fiber and its installation and the Telecom Division would pay the remaining 87.5%.
- 16) Each month our financial accounting software calculates and applies the depreciation expense for both telecom and electric. All depreciation is straight line with the depreciation rate for each category being applied to the total telecom plant balance, except for vehicles which are straight line based on a per unit basis. (Note: The depreciation rates for each category are provided on Schedules 15A, 15B, and 15C.).
- 17) Schedules 17A, 17B, and 17C provide the Telecom Division revenues by account for 2000, 2001, and 2002, respectively. There are no joint revenues between the Electric and Telecom Divisions.

EPB TELECOMMUNICATIONS  
INTEREST EXPENSE CALCULATION  
JULY 1999 - JUNE 2002

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	DIFFERENCE
<b>1999-2000</b>														
<b>EPB HIGHEST RATE EARNED</b>														
<b>ON INVESTMENTS</b>														
Beginning Note Balance	1,376,102	1,349,844	2,027,846	4,404,831	5,033,239	6,473,268	6,898,847	7,252,299	8,152,032	8,765,538	9,311,172	9,827,410		
Transfer Interest Balance	23,102	0	0	0	0	0	130,724	0	0	0	0	0		
Addition to Note Balance	159,440	479,204	2,377,083	628,206	1,442,129	331,479	594,728	619,753	613,886	545,234	576,238	568,119		
Note Balance, END OF MONTH	1,558,644	2,827,848	4,404,931	5,033,239	6,473,368	6,806,847	7,252,299	8,152,032	8,765,538	9,311,172	9,827,410	10,395,529		
<b>PRIME R.T. RATE</b>	0.0000	0.0025	0.0025	0.0025	0.0050	0.0050	0.0050	0.0075	0.0080	0.0090	0.0090	0.0090		
NOTE BAL. TIMES PRIME, DIV BY 12	10,321	13,411	30,284	34,604	45,887	48,215	60,354	59,442	62,745	69,234	77,800	82,286		
NOTE BAL. TIMES HIGHEST RATE EARNED	6,534	8,872	21,364	25,586	32,816	34,652	39,231	49,944	44,449	47,099	52,822	58,429	411,718	179,946
<b>2000-2001</b>														
<b>EPB HIGHEST RATE EARNED</b>														
<b>ON INVESTMENTS</b>														
Beginning Note Balance	10,448,047	10,872,288	11,494,851	11,920,974	12,320,281	12,807,510	13,579,082	15,542,247	16,469,350	17,152,167	17,251,683	17,258,821		
Add to Note Balance	230,394	0	0	0	0	0	0	0	0	0	0	0		
Transfer Interest Balance	243,847	522,193	426,093	396,607	487,230	1,171,182	1,571,698	1,022,546	773,117	548,505	580,080	512,822		
Addition to Note Balance for Interest Calculation	10,912,288	11,494,481	11,920,974	12,320,281	12,807,510	13,979,082	15,550,160	16,564,793	17,241,467	17,698,672	17,836,821	17,771,733		
PRIME R.T. RATE	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0750	0.0700	0.0575		
NOTE BAL. TIMES PRIME, DIV BY 12	96,867	91,001	94,374	97,235	101,668	119,688	116,628	117,334	114,543	119,379	162,427	99,066		
NOTE BAL. TIMES HIGHEST RATE EARNED	59,844	62,847	65,668	67,447	70,422	76,419	84,619	94,140	94,110	84,398	94,842	87,004	839,802	279,345
<b>2001-2002</b>														
<b>EPB HIGHEST RATE EARNED</b>														
<b>ON INVESTMENTS</b>														
Beginning Note Balance	17,801,606	18,313,851	19,162,888	19,383,347	20,007,345	20,252,520	20,381,706	21,272,744	21,383,381	21,433,943	21,433,943	21,507,278		
Add to Note Balance	558,113	0	0	0	0	0	653,367	0	0	0	0	0		
Transfer Interest Balance	554,132	1,224,037	545,439	1,108,696	654,675	803,786	787,451	590,837	840,884	574,668	646,435	1,017,158		
Addition to Note Balance for Interest Calculation	18,313,851	19,537,888	19,708,327	20,472,045	20,761,620	20,856,306	21,082,244	21,683,381	22,224,275	22,008,613	22,082,378	22,524,436		
PRIME R.T. RATE	0.0075	0.0050	0.0053	0.0053	0.0053	0.0053	0.0053	0.0475	0.0475	0.0475	0.0475	0.0475		
NOTE BAL. TIMES PRIME, DIV BY 12	152,282	162,830	164,236	170,600	172,853	173,455	175,683	180,693	184,869	183,401	183,986	187,686		
CASH TRANSFER APPLIED TO NOTE	(400,000)	(375,000)	(345,000)	(465,000)	(445,000)	(495,000)	(520,000)	(500,000)	(570,000)	(575,000)	(575,000)	(735,000)		
NOTE BAL. AFTER CASH TRANSFER	18,313,851	19,162,888	19,383,347	20,007,345	20,252,520	20,381,706	21,272,744	21,383,381	21,433,943	21,433,943	21,507,278	21,799,526		
NOTE BAL. TIMES HIGHEST RATE EARNED	102,446	146,844	167,246	111,402	112,853	113,485	118,643	73,246	73,731	73,47	74,686	77,522	1,152,878	89,348
TOTAL DIFFERENCE IN PRIME & HIGHEST EARNED RATE													518,785	

NOTE (A): May 2001 adjustment \$403,032 was made to move the Telecom cash received from customers which had been applied to interest owed to EPB for the period Jan 2001 - April 2001, to apply to the Note Balance owed to EPB.

NOTE (B): Sept 01 - Jan 02 Investment Rate 6.5% was used because Prime was less than 6.5%. 75% Document Return Current market rate of interest will be applicable to loans made by one division to the other division which rate of interest will not be less than the highest rate earned by the Electric Power Board of Chattanooga on its invested funds.

# POLE ATTACHMENT CONTRACTS

Company	Agreement Executed	Current Rate per Pole (2000)	Type of Payment	Rate Terms	Term of Agreement
Adelphi Business Solutions	July 7, 2000	\$22.03 (inside) \$24.15 (outside) city	Semi-annual	Adjustments will be annually after 1/1/01 according to Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (12/31/2005)
BellSouth (formerly South Central Bell)	January 1, 1991	\$17.35	Annual	Payment based on a 5-year "Inventory of Attachments & provision of new attachments."	December 1999
Blacks Telephone Company	April 28, 1992	\$17.35	Annual	Base rate escalated annually based on previous annual Telephone Plant Index	December 31, 1999
Century Telephone Company	February 18, 1991	\$11.65	Annual	In negotiations	
COMCAST (formerly Chattanooga CATV Co.)	February 26, 1979 Amended: January 1, 1997	\$9.23	Semi-annual	(Cable) Adjusted annually on January 1 based on 1/1/87 Handy Whitman Index. (Telecom) adjusted annually on Jan 1 based on \$ on pole (see Article III)	January 1, 2002
Charter Communications (formerly Helicon) (formerly Clear-Vu Cable Company (CA))	May 7, 1984 Amended: February-95	\$9.23	Semi-annual	Adjustments negotiated after written notice. Adjustments not less than 3 years.	Written notice of termination 6 months prior to end of said term.
Charter Communications (formerly Helicon) (formerly Clear-Vu Cable Company (TN))	May 18, 1981 Amended: February-95	\$9.23	Semi-annual	Adjustments negotiated after written notice. Adjustments not less than 3 years.	Written notice of termination 6 months prior to end of said term.
Charter Communications (formerly Helicon) (formerly Sequatchie Valley Cablevision)	February 24, 1984 Amended: February-96	\$9.23	Semi-annual	Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.	Written notice of termination 6 months prior to end of said term.
Charter Communications (7/31/89) dba Robin Media (formerly Intermidia) (formerly Telecable of Cleveland)	June 13, 1991 Amended: September 5, 1996	\$9.23	Semi-annual	Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (yr by yr (6/13)
Chickamauga Telephone Co.	July 24, 1992	\$17.35	Annual	Base rate escalated annually based on previous annual Telephone Plant Index	December 31, 1999
Highland Park Baptist (Camp Joy)	June 10, 1986 Amended: December 17, 1990	\$9.23	Semi-annual	Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.	Written notice of termination 6 months prior to end of said term.
KMC Telecom Ill, Inc.	November 12, 1989	\$22.03 (inside) \$24.15 (outside) city	Semi-annual	Adjustments will be annually after 12/31/00 according to Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (12/31/2005)
North Georgia Electric Membership Co.	June 28, 1981 Amended: January 1, 1990	\$17.35	Annual		No Contract
Ringold Telephone Company	May 31, 2000	\$22.03 (inside) \$24.15 (outside) city	Semi-annual	Adjustments will be annually after 1/1/01 according to Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (12/31/2005)
Tennessee Temple University	July 8, 1986 Amended: December 17, 1990	\$9.23	Semi-annual	Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.	Written notice of termination 6 months prior to end of said term.
Tennessee Valley Authority (EPB on TVA)	April 1947 TV-97310 Supp. No. 8	\$1.00	Annual		
Tennessee Valley Authority (TVA on EPB)	April 1947 TV-97310 Supp. No. 8	\$30.00 **	Annual	**Payment for Mood-COC Spur per year	
Trenton Telephone Company (Trenton on EPB)	July 18, 1981	\$13.46	Annual	Rental rate same as the current BST rural joint-use agreement	Written notice of termination 30 days prior to end of said term.



# POLE ATTACHMENT CONTRACTS

Company	Agreement Executed	Current Rate per Pole (2001)	Type of Payment	Rate Terms	Term of Agreement
Adaptive Business Solutions	July 7, 2000	\$22.88 (inside) \$25.08 (outside) city	Semi-annual	Adjustments will be annually after 1/1/01 according to Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (12/31/2005)
BellSouth (formerly South Central Bell)	January 1, 1981	\$17.61	Annual	Payment based on a 5-year inventory of Attachments & portion of new attachments.	December 1999
Blescoe Telephone Company	April 28, 1992	\$17.61	Annual	Base rate escalated annually based on previous annual Telephone Plant Index	December 31, 1999
Century Telephone Company	February 18, 1991	\$11.65	Annual	In negotiations	
COMCAST (formerly Chattanooga CATV Co.)	February 20, 1973	\$9.47	Semi-annual	(Cable) Adjusted annually on January 1 based on 1/1/87 Handy Whitman Index. (Telecom) adjusted annually on Jan 1 based on # on pole (see Article III)	January 1, 2002
Charter Communications (formerly Helicon) (formerly Clear-Vu Cable Company (GA))	May 7, 1984	\$9.47	Semi-annual	Adjustments negotiated after written notice. Adjustments not less than 3 years.	Written notice of termination 6 months prior to end of said term.
Charter Communications (formerly Helicon) (formerly Clear-Vu Cable Company (TN))	February-96	\$9.47	Semi-annual	Adjustments negotiated after written notice. Adjustments not less than 3 years.	Written notice of termination 6 months prior to end of said term.
Charter Communications (formerly Helicon) (formerly Sequatchie Valley Cablevision)	February-96	\$9.47	Semi-annual	Adjustments not less than 3 years not to exceed the % increase reported by Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (yr by yr (8/13))
Charter Communications (7/31/99) dba Robin Media (formerly Intermex) (formerly Telecable of Cleveland)	June 13, 1991	\$9.47	Semi-annual	Adjustments not less than 3 years not to exceed the % increase reported by Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (12/31/2005)
Chickamauga Telephone Co.	July 24, 1982	\$17.61	Annual	Base rate escalated annually based on previous annual Telephone Plant Index	December 31, 1999
Highland Park Baptist (Camp Joy)	June 10, 1986	\$9.47	Semi-annual	Adjustments not less than 3 years not to exceed the % increase reported by Handy Whitman Index.	Written notice of termination 6 months prior to end of said term.
	December 17, 1990	\$22.88 (inside) \$25.08 (outside) city	Semi-annual	Adjustments will be annually after 12/31/00 according to Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (12/31/2005)
KMIC Telecom III, Inc.	November 12, 1999	\$25.08 (outside) city	Semi-annual	Adjustments will be annually after 1/1/01 according to Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (12/31/2005)
North Georgia Electric Membership Co.	June 28, 1981	\$17.61	Annual		No Contract
Ringgold Telephone Company	May 31, 2000	\$22.88 (inside) \$25.08 (outside) city	Semi-annual	Adjustments will be annually after 1/1/01 according to Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (12/31/2005)
Tennessee Temple University	July 8, 1986	\$9.47	Semi-annual	Adjustments not less than 3 years not to exceed the % increase reported by Handy Whitman Index.	Written notice of termination 6 months prior to end of said term.
Tennessee Valley Authority (EPB on TVA)	December 17, 1990	\$1.00	Annual		
Tennessee Valley Authority (EPB on TVA)	April 1947	\$1.00	Annual		
Tennessee Valley Authority (TVA on EPB)	June 1, 1993	\$350.00	Annual	**Payment for Mocc-COC Spur per Year	
Tennessee Valley Authority (TVA on EPB)	April 1947	\$350.00	Annual		
Trenton Telephone Company (Trenton on EPB)	June 1, 1993	\$13.68	Annual	Rental rate same as the current BST rural joint-use agreement	Written notice of termination 30 days prior to end of said term.

# POLE ATTACHMENT CONTRACTS

Company	Agreement Executed	Current Rate per Pole (2002)	Type of Payment	Rate Terms	Term of Agreement
Adelphia Business Solutions	July 7, 2000	\$22.88 (inside) \$25.08 (outside) city	Semi-annual	Adjustments will be annually after 1/1/01 according to Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (12/31/2005)
BellSouth (formerly South Central Bell)	January 1, 1991	\$18.14	Annual	Payment based on a 5-year "Inventory of Attachments & Provision of new attachments."	December 1999
Bledsoe Telephone Company	April 28, 1992	\$18.14	Annual	Base rate escalated annually based on previous annual Telephone Plant Index	December 31, 1999
Century Telephone Company	February 18, 1991	\$11.65	Annual	In negotiations	
COMCAST (formerly Chattanooga CATV Co.)	February 26, 1973 Amended: January 1, 1997	\$9.71	Semi-annual	(Cable) Adjusted annually on January 1 based on 1/1/97 Handy Whitman Index. (Telecom) adjusted annually on Jan 1 based on # on pole (see Article III)	January 1, 2002
Charter Communications (formerly Helicon) (formerly Clear-Vu Cable Company (GA))	May 7, 1984 Amended: February-96	\$9.71	Semi-annual	Adjustments negotiated after written notice. Adjustments not less than 3 years.	Written notice of termination 6 months prior to end of said term.
Charter Communications (formerly Helicon) (formerly Clear-Vu Cable Company (TN))	May 18, 1981 Amended: February-96	\$9.71	Semi-annual	Adjustments negotiated after written notice. Adjustments not less than 3 years.	Written notice of termination 6 months prior to end of said term.
Charter Communications (formerly Helicon) (formerly Sequatchie Valley Cablevision)	February 24, 1984 Amended: February-96	\$9.71	Semi-annual	Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.	Written notice of termination 6 months prior to end of said term.
Charter Communications (7/31/99) dba Robin Media (formerly Intermedia) (formerly Telecable of Cleveland)	June 13, 1991 Amended: September 5, 1996	\$9.71	Semi-annual	Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (Yr by Yr (6/3)
Chickamauga Telephone Co.	July 24, 1992	\$18.14	Annual	Base rate escalated annually based on previous annual Telephone Plant Index	December 31, 1999
EPB Telecom	March 1999	\$23.47 (inside) \$25.73 (outside) city	Monthly	Rate based on highest rate of other Telecom attachers.	
EPB Telecom	March 1999	Conduit \$2.77 per foot per year	Monthly	Rate based on highest rate of other Telecom attachers.	
Highland Park Baptist (Camp Joy)	June 10, 1986 Amended: December 17, 1990	\$9.71	Semi-annual	Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.	Written notice of termination 6 months prior to end of said term.
KMC Telecom III, Inc.	November 12, 1999	\$23.47 (inside) \$25.73 (outside) city	Semi-annual	Adjustments will be annually after 12/31/00 according to Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (12/31/2005)
North Georgia Electric Membership Co.	June 29, 1981 Amended: January 1, 1990	\$18.14	Annual	Rental Rate same as current BST Urban Joint Use Rate	No Contract
Ringgold Telephone Company	May 31, 2000	\$23.47 (inside) \$25.73 (outside) city	Semi-annual	Adjustments will be annually after 1/1/01 according to Handy Whitman Index.	Written notice of termination 6 months prior to end of said term. (12/31/2005)
Tennessee Temple University	July 8, 1986 Amended: December 17, 1990	\$9.71	Semi-annual	Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.	Written notice of termination 6 months prior to end of said term.
Trenton Telephone Company (Trenton on EPB)	July 16, 1981	\$14.09	Annual	Rental rate same as the current BST rural joint-use agreement	Written notice of termination 30 days prior to end of said term.
Volunteer Electric Cooperative	January 18, 2002	\$18.14	Annual	Adjustments negotiated after written notice.	Written notice of termination 6 months prior to end of said term.

cc: Bill Chapman, Ron Fugatt, Gary Hurst, Preston Stugs

Schedule 3C

Telecom Pole Attachments														
Date	# of Poles Inside City	# of Poles Outside City	Conduit	Actual Rate		Billed Rate		Rate Conduit	Amount		Total Amount	Total Billed	Diff to be Billed	
				Inside City	Outside City	Inside City	Outside City		Inside City	Outside City				
Jul 1999	447		9900	22.03	16.93	24.15	24.15	2.77	820.62	-	2,285.25	3,105.87	2,915.89	189.98
Aug 1999	447		9900	22.03	16.93	24.15	24.15	2.77	820.62	-	2,285.25	3,105.87	2,915.89	189.98
Sep 1999	447		9900	22.03	16.93	24.15	24.15	2.77	820.62	-	2,285.25	3,105.87	2,915.89	189.98
Oct 1999	447		9900	22.03	16.93	24.15	24.15	2.77	820.62	-	2,285.25	3,105.87	2,915.89	189.98
Nov 1999	447		9900	22.03	16.93	24.15	24.15	2.77	820.62	-	2,285.25	3,105.87	2,915.89	189.98
Dec 1999	447		9900	22.03	16.93	24.15	24.15	2.77	820.62	-	2,285.25	3,105.87	2,915.89	189.98
Jan 2000	447		9900	22.03	16.93	24.15	24.15	2.77	820.62	-	2,285.25	3,105.87	2,915.89	189.98
Feb 2000	447		9900	22.03	16.93	24.15	24.15	2.77	820.62	-	2,285.25	3,105.87	2,915.89	189.98
Mar 2000	447		9900	22.03	16.93	24.15	24.15	2.77	820.62	-	2,285.25	3,105.87	2,915.89	189.98
Apr 2000	447		9900	22.03	16.93	24.15	24.15	2.77	820.62	-	2,285.25	3,105.87	2,915.89	189.98
May 2000	447		9900	22.03	16.93	24.15	24.15	2.77	820.62	-	2,285.25	3,105.87	2,915.89	189.98
Jun 2000	447		9900	22.03	16.93	24.15	24.15	2.77	820.62	-	2,285.25	3,105.87	2,915.89	189.98
Jul 2000	4351	63	9900	22.03	22.03	24.15	24.15	2.77	7,987.71	126.79	2,285.25	10,399.75	10,399.75	-
Aug 2000	916	9	9900	22.03	22.03	24.15	24.15	2.77	1,681.62	18.11	2,285.25	3,984.99	3,984.99	-
Sep 2000	932	9	9900	22.03	22.03	24.15	24.15	2.77	1,711.00	18.11	2,285.25	4,014.36	4,014.36	-
Oct 2000	932	9	9900	22.03	22.03	24.15	24.15	2.77	1,711.00	18.11	2,285.25	4,014.36	4,014.36	-
Nov 2000	932	9	9900	22.03	22.03	24.15	24.15	2.77	1,711.00	18.11	2,285.25	4,014.36	4,014.36	-
Dec 2000	926	9	9900	22.03	22.03	24.15	24.15	2.77	1,699.98	18.11	2,285.25	4,003.34	4,003.34	-
Jan 2001	936		9900	22.88	22.03	25.08	24.15	2.77	1,784.64	-	2,285.25	4,069.89	4,003.34	66.55
Feb 2001	936		9900	22.88	22.03	25.08	24.15	2.77	1,784.64	-	2,285.25	4,073.70	4,007.01	66.69
Mar 2001	938		9900	22.88	22.03	25.08	24.15	2.77	1,788.45	-	2,285.25	4,073.70	4,007.01	66.69
Apr 2001	938		9900	22.88	22.03	25.08	24.15	2.77	1,788.45	-	2,285.25	4,073.70	4,007.01	66.69
May 2001	938		9900	22.88	22.03	25.08	24.15	2.77	1,788.45	-	2,285.25	4,073.70	4,007.01	66.69
Jun 2001	938		9900	22.88	22.03	25.08	24.15	2.77	1,788.45	-	2,285.25	4,073.70	4,007.01	66.69
Jul 2001	947		9900	22.88	22.03	25.08	24.15	2.77	1,805.61	-	2,285.25	4,090.86	4,023.78	67.08
Aug 2001	942		9900	22.88	22.03	25.08	24.15	2.77	1,796.08	-	2,285.25	4,081.33	4,014.61	66.72
Sep 2001	942		9900	22.88	22.03	25.08	24.15	2.77	1,796.08	-	2,285.25	4,081.33	4,014.61	66.72
Oct 2001	942		9900	22.88	22.03	25.08	24.15	2.77	1,796.08	-	2,285.25	4,081.33	4,014.61	66.72
Nov 2001	943	18	9900	22.88	22.03	25.08	24.15	2.77	1,797.99	37.62	2,285.25	4,120.86	4,052.67	68.19
Dec 2001	943	18	9900	22.88	22.03	25.08	24.15	2.77	1,797.99	37.62	2,285.25	4,120.86	4,052.67	68.19
Jan 2002	942	18	9900	23.47	22.03	25.73	24.15	2.77	1,842.40	38.60	2,285.25	4,166.24	4,050.83	115.41
Feb 2002	942	18	9900	23.47	22.03	25.73	24.15	2.77	1,842.40	38.60	2,285.25	4,166.24	4,050.83	115.41
Mar 2002	962	18	9900	23.47	22.03	25.73	24.15	2.77	1,881.51	38.60	2,285.25	4,205.36	4,087.55	117.81
Apr 2002	962	18	9900	23.47	22.03	25.73	24.15	2.77	1,881.51	38.60	2,285.25	4,205.36	4,087.55	117.81
May 2002	962	18	9900	23.47	22.03	25.73	24.15	2.77	1,881.51	38.60	2,285.25	4,205.36	4,087.55	117.81
Jun 2002	962	18	9900	23.47	22.03	25.73	24.15	2.77	1,881.51	38.60	2,285.25	4,205.36	4,087.55	117.81

\* In July 2000, an adjustment was made to catch up on the number of poles Telecom was using inside the city. Also, the poles shown as outside of the city from July 2000 - December 2000, were later discovered to be inside the city.

Telecommunications Audit and Annual Report Allocations

<u>Fiscal Year 1999-2000</u>		
EPB Audit Expenses	\$	37,000.00
Telecom Audit Allocation Expenses		5%
Telecom Audit Expense	\$	1,850.00
EPB Annual Report Expense	\$	69,984.00
Telecom Annual Report Percent		20%
Telecom Annual Report Expense	\$	13,996.80
Telecom Audit and Annual Report Expense	\$	15,846.80
<u>Fiscal Year 2000-2001</u>		
EPB Audit Expenses	\$	45,000.00
Telecom Audit Allocation Expenses		10%
Telecom Audit Expense	\$	4,500.00
EPB Annual Report Expense	\$	88,560.62
Telecom Annual Report Percent		20%
Telecom Annual Report Expense	\$	17,712.12
Telecom Audit and Annual Report Expense	\$	22,212.12
<u>Fiscal Year 2001-2002</u>		
EPB Audit Expenses	\$	45,000.00
Telecom Audit Allocation Expenses		15%
Telecom Audit Expense	\$	6,750.00
EPB Annual Report Expense	\$	68,017.36
Telecom Annual Report Percent		20%
Telecom Annual Report Expense	\$	13,603.47
Telecom Audit and Annual Report Expense	\$	20,353.47

EP8 TELECOM  
LIFE INSURANCE JULY 1999 - JUNE 2002

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
JULY 1999 - JUNE 2000													
ELECTRIC EMPLOYEES	442	446	434	431	445	442	428	426	418	424	423	423	5,192
LIFE INSURANCE PREMIUM	18,755.55	18,030.00	18,613.49	20,019.83	19,273.49	19,302.75	19,316.80	19,714.18	19,595.18	19,691.84	19,830.30	19,806.11	232,849.52
TELECOM EMPLOYEES	6	6	9	10	10	10	11	18	22	23	28	24	
Life Insurance Calculation:													
TELECOM LABOR (NOTE A)	40,418.81	53,416.76	57,884.20	65,075.32	72,655.71	71,593.89	74,650.63	89,853.89	129,571.17	113,490.76	155,690.51	159,513.99	1,094,417.64
\$ 32/1,000 TIMES 3 TIMES 12 MONTHS	465.62	615.38	-	-	-	-	-	-	-	108.95	1,198.82	1,228.26	3,617.04
TELECOM PREM SHOULD HAVE BEEN:	465.62	616.38	666.83	756.58	836.89	824.76	859.88	1,150.32	1,492.66	1,307.41	1,703.55	1,837.60	12,607.69
JULY 2000 - JUNE 2001													
ELECTRIC EMPLOYEES	425	425	422	423	449	427	427	405	414	414	427	415	
LIFE INSURANCE PREMIUM	19,532.66	12,899.08	14,244.29	14,035.38	13,604.49	13,535.81	13,726.79	13,822.20	13,392.75	13,538.17	13,068.89	13,151.89	168,586.00
TELECOM EMPLOYEES	26	27	27	28	29	30	31	31	31	31	32	34	
Life Insurance Calculation:													
TELECOM LABOR (NOTE B)	163,001.63	162,301.77	159,304.43	125,121.49	159,303.56	155,090.39	170,850.00	152,942.65	166,370.94	163,479.50	163,631.62	147,505.47	1,917,303.45
\$ 32/1,000 TIMES 3	166.48	102.25	87.13	78.83	100.36	97.71	107.64	96.35	104.81	115.59	121.99	82.83	156.48
\$ 21/1,000 TIMES 3													1,105.59
TELECOM PREM SHOULD HAVE BEEN:	1,877.78	1,227.00	1,045.58	945.92	1,204.33	1,172.48	1,291.63	1,156.25	1,257.76	1,307.11	1,463.86	1,115.14	15,144.84
JULY 2001 - JUNE 2002													
ELECTRIC EMPLOYEES	406	405	406	408	412	416	418	408	410	407	406	402	
LIFE INSURANCE PREMIUM	14,159.88	14,099.19	13,498.49	13,498.19	14,160.63	13,673.44	13,453.39	14,688.15	13,671.52	13,507.74	14,066.06	13,460.35	165,967.13
TELECOM EMPLOYEES	38	38	39	40	40	40	40	41	41	39	39	39	
Life Insurance Calculation:													
TELECOM LABOR (NOTE C)	190,841.87	185,683.21	147,907.67	178,682.53	161,171.62	144,650.27	161,925.05	163,554.50	151,665.91	171,622.53	182,890.74	163,794.38	2,004,200.36
\$ 21/1,000 TIMES 3	120.23	116.98	93.18	112.58	101.54	91.13	102.01	105.02	99.83	106.12	115.10	103.19	1,288.01
TELECOM PREM SHOULD HAVE BEEN:	1,442.77	1,403.77	1,118.18	1,350.92	1,218.46	1,093.56	1,224.15	1,236.47	1,146.59	1,297.47	1,381.14	1,238.29	15,151.75

(A) Calculation was correct in July & August 1999; changes were omitted September through March. April, May & June charges were calculated incorrectly.  
 (B) Calculation for August 2000 through June 2001 was \$ 21/1,000 times 3 and should have been \$ 32/1,000 times 3 times 12.  
 (C) Calculation for July 2001 - June 2002 was \$ 21/1,000 times 3 and should have been \$ 21/1,000 times 3 times 12.

## TELECOMMUNICATIONS WORKERS COMPENSATION

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
<u>Fiscal Year 1999-2000</u>													
Labor Expense	40,418.81	53,418.76	57,884.20	65,675.32	72,655.71	71,593.89	74,650.63	89,853.89	129,571.17	113,490.76	155,690.51	159,513.99	1,094,417.84
Rate per Labor Dollar (.32 per 100)	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	
Workers Compensation Expense	129.34	170.94	185.23	210.16	232.50	229.10	238.88	319.53	414.63	363.17	498.21	510.44	3,502.13

Note: No Workers Compensation was charged to Telecommunications for this fiscal year but the amount above is a calculation for the year if there had been a charge.

<u>Fiscal Year 2000-2001</u>													
Labor Expense	163,001.63	162,301.77	138,304.43	125,121.49	159,303.56	155,090.39	170,856.25	152,942.65	166,370.94	183,479.50	193,631.62	147,505.47	1,917,909.70
Rate per Labor Dollar (.32 per 100)	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	
Workers Compensation Expense	521.61	519.37	442.57	400.39	509.77	496.29	546.74	489.42	532.39	587.13	619.62	472.02	6,137.32

<u>Fiscal Year 2001-2002</u>													
Labor Expense	190,841.97	233,482.08	209,389.29	223,752.71	215,855.35	192,198.84	189,453.39						1,454,973.63
Rate per Labor Dollar (.32 per 100)	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032						
Workers Compensation Expense	610.69	747.14	670.05	716.01	690.74	615.04	606.25						4,655.92
Outside Labor Workers Comp. Expense								8,960.00	8,960.00	8,960.00	8,960.00	8,960.00	44,800.00
Inside Labor Workers Comp. Expense								255.00	255.00	255.00	255.00	255.00	1,275.00
Total Workers Compensation Expense	610.69	747.14	670.05	716.01	690.74	615.04	606.25	9,215.00	9,215.00	9,215.00	9,215.00	9,215.00	50,730.92

Note: For period of February-June 2002: A change was made in calculating workers compensation. The total premium for EPB was 723,904 of which 110,588 or 9,215 per month was determined to be Telecom based on rates of 5.70 per 100 for outside labor & .33 per 100 for inside labor.

## TELECOMMUNICATIONS DENTAL INSURANCE COSTS

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
<b>FISCAL YEAR 2000-2001</b>													
Total Telecom employees w/dental ins.	25	25	25	26	26	26	27	27	28	28	29	30	
Total EPB employees w/dental ins.	437	438	435	438	412	412	413	413	421	421	422	422	
Employee ratio (Telecom)	0.05721	0.05708	0.05747	0.05936	0.06311	0.06311	0.06538	0.06638	0.06651	0.06651	0.06672	0.07109	
Total EPB Dental Costs	15,086.44	12,250.45	13,354.43	11,198.00	14,562.00	9,007.38	13,748.46	10,871.82	17,507.34	15,913.39	12,167.31	17,605.99	
Allocated Telecom Dental Costs	863.07	699.23	767.50	664.72	918.96	568.43	898.81	710.75	1,164.38	1,058.37	836.14	1,251.61	10,401.97
<b>JUNE 2001 ADJUSTMENT FOR CAPITALIZATION OF BENEFITS YTD</b>													
TOTAL DENTAL REPORTED ON 2001 REPORT													(1,895.65)
													8,506.32
<b>FISCAL YEAR 2001-2002</b>													
Total Telecom employees w/dental ins.	33	34	34	35	36	36	36	37	37	36	36	36	
Total EPB employees w/dental ins.	424	427	424	426	428	429	430	429	429	431	428	428	
Employee ratio (Telecom)	0.07763	0.07963	0.08019	0.08216	0.08411	0.08392	0.08372	0.08625	0.08625	0.08353	0.08411	0.08411	
Total EPB Dental Costs	17,605.99	13,383.28	18,009.56	13,913.83	11,379.94	9,834.72	12,830.31	16,752.49	13,517.20	8,724.60	14,418.35	14,769.44	
Allocated Telecom Dental Costs	1,370.28	1,065.65	1,444.16	1,143.16	957.19	825.29	1,074.17	1,444.85	1,165.82	728.74	1,212.76	1,242.29	13,674.35
<b>JUNE 2002 ADJUSTMENT FOR CLAIMS FILED BUT NOT PAID</b>													
TOTAL DENTAL REPORTED ON 2002 TRA REPORT													816.20
													14,490.55



**Electric Power Board  
of Chattanooga**

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**Actuarial Report  
for the  
Electric Power Board of Chattanooga  
Retirement Plan**

**For Plan Year  
Beginning August 1, 1999  
and  
Ending July 31, 2000**

**September 23, 1999**

Schedule 8A



## *Summary of Actuarial Valuation*

1. Effective Date of Plan:	August 1, 1944
2. Plan Year:	August 1, 1999 to July 31, 2000
3. Valuation Date:	August 1, 1999
4. Actuarial Cost Method:	Aggregate
5. Participants Covered:	
a) Active	425
b) Retired – Direct Payment	13
c) Long-Term Disability (LTD)	16
d) Terminated with Vested Benefit	23
e) Death Benefit	4
Total	<u>480</u>
6. Monthly Covered Earnings (Active & LTD): <sup>1</sup>	\$1,634,144
7. Monthly Prospective Retirement Benefits:	\$860,690
8. Plan Assets (Market Value):	
a) Fixed Income (36%)	\$17,302,005
b) Equities (52%)	25,155,010
c) REITs (10%)	4,579,992
d) Cash (2%)	<u>1,078,409</u>
Total	\$48,115,416
9. Required Plan Contributions:	
A. Minimum	
1) As of August 1, 1999	\$728,029
B. Maximum	
2) As of August 1, 1999	\$788,091

<sup>1</sup> Includes monthly covered earnings (at time of disability) of LTD participants.



**Electric Power Board  
of Chattanooga**

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**Actuarial Report  
for the  
Electric Power Board of Chattanooga  
Retirement Plan**

**For Plan Year  
Beginning August 1, 2000  
and  
Ending July 31, 2001**

**October 2000**

## *Summary of Actuarial Valuation*

1. Effective Date of Plan:	August 1, 1944
2. Plan Year:	August 1, 2000 to July 31, 2001
3. Valuation Date:	August 1, 2000
4. Actuarial Cost Method:	Aggregate
5. Participants Covered:	
a) Active	417
b) Retired – Direct Payment	16
c) Long-Term Disability (LTD)	14
d) Terminated with Vested Benefit	41
e) Death Benefit to Beneficiaries	0
Total	<u>488</u>
6. Monthly Covered Earnings (Active & LTD): <sup>1</sup>	\$1,700,563
7. Monthly Prospective Retirement Benefits:	\$889,388
8. Plan Assets (Market Value):	
a) Fixed Income (36%)	\$18,025,004
b) Equities (51%)	25,305,986
c) REITs (11%)	5,593,196
d) Cash (2%)	<u>839,523</u>
Total	\$49,763,709
9. Required Plan Contributions:	
A. Minimum	
1) As of August 1, 2000	\$986,036
B. Maximum	
2) As of August 1, 2000	\$1,069,849

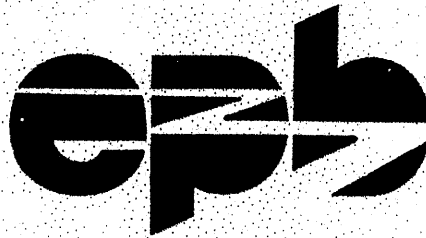
<sup>1</sup> Includes monthly covered earnings (at time of disability) of LTD participants.

***Division of Actuarial Cost***

	<u>Telecom</u>	<u>Other</u>
1. Covered Compensation <sup>1</sup>	\$716,508	\$19,607,604
2. Required Plan Contributions		
– Minimum	\$34,762	\$951,274
– Maximum	\$37,716	\$1,032,132

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<sup>1</sup> Actuarial cost allocated by covered compensation.



**Electric Power Board  
of Chattanooga**

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**Actuarial Report  
for the  
Electric Power Board of Chattanooga  
Retirement Plan**

**For Plan Year  
Beginning August 1, 2001  
and  
Ending July 31, 2002**

**November 2001**

Schedule 8C

## *Summary of Actuarial Valuation*

1. Effective Date of Plan:	August 1, 1944
2. Plan Year:	August 1, 2001 to July 31, 2002
3. Valuation Date:	August 1, 2001
4. Actuarial Cost Method:	Aggregate
5. Participants Covered:	
a) Active – General	382
b) Active – Telecom	27
c) Retired – Direct Payment	16
d) Long-Term Disability (LTD)	14
e) Terminated with Vested Benefit	57
f) Death Benefit to Beneficiaries	2
g) Total	<u>498</u>
6. Monthly Covered Earnings (Active & LTD): <sup>1</sup>	\$1,729,741
7. Monthly Prospective Retirement Benefits:	\$900,844
8. Plan Assets (Market Value):	
a) Fixed Income (37%)	\$16,837,426
b) Equities (46%)	20,841,641
c) REITs (11%)	4,810,811
d) Cash (6%)	<u>2,681,599</u>
e) Total	\$45,171,477
9. Required Plan Contributions:	
a. Minimum (as of August 1, 2001)	\$1,058,798
b. Maximum (ss of August 1, 2001)	\$1,148,796

<sup>1</sup> Includes monthly covered earnings (at time of disability) of LTD participants.

## *Division of Actuarial Cost*

	<u>Telecom</u>	<u>Other</u>
1. Covered Compensation <sup>1</sup>	\$1,494,012	\$19,176,624
2. Required Plan Contributions		
– Minimum	\$76,526	\$982,271
– Maximum	\$83,032	\$1,065,764

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<sup>1</sup> Actuarial cost allocated by covered compensation.

# Telecommunications Pension Expenses

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
<u>Fiscal Year 2000-2001</u>													
Pension Charges	4,563.00	3,143.00	3,143.00	3,143.00	3,143.00	3,143.00	3,143.00	3,143.00	3,143.00	3,143.00	3,143.00	3,143.00	39,136.00
<u>Fiscal Year 2001-2002</u>													
Pension Charges	3,143.00	6,919.00	6,919.00	6,919.00	6,919.00	6,919.00	6,919.00	6,919.00	6,919.00	6,919.00	6,919.00	6,919.00	79,252.00

Note 1: July 2000 Pension Expense was calculated using the ratio of Telecom labor to total EPB labor times \$788,091/12. From Schedule 8A, Page 2, \$788,091 is the total EPB Pension costs for August 1999 through July 2000.  
 Note 2: August 2000 through July 2001 Pension Expense was calculated by dividing \$37,716 by 12. From schedule 8B, Page 11, \$37,716 is the maximum Telecom Pension Plan contribution for August 2000 through July 2001.  
 Note 3: August 2001 through June 2002 Pension Expense was calculated by dividing \$83,032 by 12. From Schedule 8C, Page 12, \$83,032 is the maximum Telecom Pension Plan contribution for August 2001 through July 2002.





**Electric Power Board  
of Chattanooga**

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**1999 Actuarial Valuation of the  
Post-Retirement Medical  
and  
Death Benefit Plans**

**September 30, 1999**

Schedule 9A

**Disclosure Requirements**  
**For the Fiscal Year Ended June 30, 2000**

**Development of Net Periodic Post-retirement  
Benefit Cost**

## A. Plan Population:

1. Active Employees	448
2. LTD Employees	17
3. Retirees	267
4. Spouses	191

## B. Development of Net Periodic Post-retirement Benefit Cost:

## 1. Service Cost:

a) Beginning of Year Service Cost	\$388,023	
b) Interest to End of Year	<u>27,162</u>	
c) Total Service Cost		\$415,185

## 2. Interest Cost:

a) Accumulated Post-retirement Benefit Obligation	15,229,923	
b) Expected Distributions	<u>847,076</u>	
c) Interest Cost		1,036,447

## 3. Expected Return on Assets:

a) Beginning of Year Actuarial Asset Value	8,214,620	
b) Expected Distributions	847,076	
c) Expected Contributions	800,000	
d) Average Expected Asset Value During Year	<u>8,191,082</u>	
e) Expected Return on Assets		675,764

## 4. Amortization Amounts:

a) Transitional Amount	0	
b) Prior Service Cost	(5,060)	
c) (Gain) or Loss	<u>0</u>	
d) Total Amortization Amounts		<u>(5,060)</u>

5. Net Periodic Post-retirement Benefit Cost [(1) + (2) - (3) + (4)]	\$770,808
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**Electric Power Board  
of Chattanooga**

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**2000 Actuarial Valuation of the  
Post-Retirement Medical  
and  
Death Benefit Plans**

**October 28, 2000**

Schedule 9B

***Disclosure Requirements***  
***For the Fiscal Year Ended June 30, 2001***

**Development of Net Periodic Post-retirement  
Benefit Cost**

## A. Plan Population:

1. General Employees	414
2. Telecom Employees	26
3. LTD Employees	12
4. Retirees	274
5. Spouses	169

## B. Development of Net Periodic Post-retirement Benefit Cost:

## 1. Service Cost:

a) Beginning of Year Service Cost	\$403,664	
b) Interest to End of Year	<u>28,256</u>	
c) Total Service Cost		\$431,920

## 2. Interest Cost:

a) Accumulated Post-retirement Benefit Obligation	15,549,738	
b) Expected Distributions	<u>866,574</u>	
c) Interest Cost		1,058,152

## 3. Expected Return on Assets:

a) Beginning of Year Actuarial Asset Value	8,870,439	
b) Expected Distributions	866,574	
c) Expected Contributions	825,000	
d) Average Expected Asset Value During Year	<u>8,849,642</u>	
e) Expected Return on Assets		707,972

## 4. Amortization Amounts:

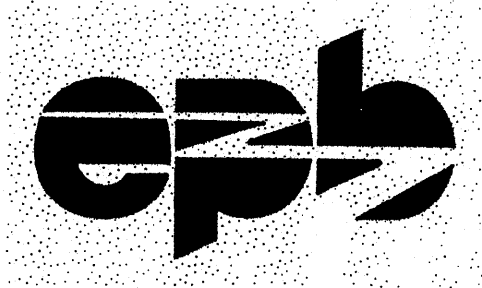
a) Transitional Amount	0	
b) Prior Service Cost	(1,242)	
c) (Gain) or Loss	<u>0</u>	
d) Total Amortization Amounts		<u>(1,242)</u>

5. Net Periodic Post-retirement Benefit Cost	\$780,858
[(1) + (2) - (3) + (4)]	

***Disclosure Requirements***  
***For the Fiscal Year Ended June 30, 2001***

**Division of Net Periodic Post-retirement  
Benefit Cost**

A. Total Net Periodic Post-retirement Benefit Cost	\$780,858
B. Estimation of Net Periodic Post-retirement Benefit Cost Due To Telecom Employees	
1. Service Cost	\$35,656
2. Interest Cost	3,467
3. Expected Return on Assets	
– Assets Divided Proportionately on APBO	2,260
4. Amortization Amounts	
– Amounts Divided Proportionately on APBO	<u>(4)</u>
5. Net Periodic Post-retirement Benefit Cost Due to Telecom Employees	\$36,859



**Electric Power Board  
of Chattanooga**

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**2001 Actuarial Valuation of the  
Post-Retirement Medical  
and  
Death Benefit Plans**

**November 2001**

**Schedule 9C**

***Disclosure Requirements***  
***For the Fiscal Year Ended June 30, 2002***

**Development of Net Periodic Post-retirement  
Benefit Cost**

## A. Plan Population:

1. General Employees	406
2. Telecom Employees	27
3. LTD Employees	13
4. Retirees	304
5. Spouses	187

## B. Development of Net Periodic Post-retirement Benefit Cost:

## 1. Service Cost:

a) Beginning of Year Service Cost	\$443,065	
b) Interest to End of Year	<u>31,015</u>	
c) Total Service Cost		\$474,080

## 2. Interest Cost:

a) Accumulated Post-retirement Benefit Obligation	18,475,233	
b) Expected Distributions	<u>1,176,849</u>	
c) Interest Cost		1,252,077

## 3. Expected Return on Assets:

a) Beginning of Year Actuarial Asset Value	9,266,860	
b) Expected Distributions	1,176,849	
c) Expected Contributions	1,000,000	
d) Average Expected Asset Value During Year	<u>9,178,436</u>	
e) Expected Return on Assets		734,275

## 4. Amortization Amounts:

a) Transitional Amount	0	
b) Prior Service Cost	(1,242)	
c) (Gain) or Loss	<u>0</u>	
d) Total Amortization Amounts		<u>(1,242)</u>

5. Net Periodic Post-retirement Benefit Cost [(1) + (2) - (3) + (4)]	\$990,640
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***Disclosure Requirements***  
***For the Fiscal Year Ended June 30, 2002***

**Division of Net Periodic Post-retirement  
Benefit Cost**

A. Total Net Periodic Post-retirement Benefit Cost	\$990,640
B. Estimation of Net Periodic Post-retirement Benefit Cost Due To Telecom Employees	
1. Service Cost	\$39,676
2. Interest Cost	9,332
3. Expected Return on Assets – Assets Divided Proportionately on APBO	5,718
4. Amortization Amounts – Amounts Divided Proportionately on APBO	<u>(6)</u>
5. Net Periodic Post-retirement Benefit Cost Due to Telecom Employees	\$43,284



EP8 TELECOM  
BUILDING RENTAL EXPENSE

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
1999 - 2000													
SQUARE FEET	3,456	3,456	3,456	3,456	3,456	3,456	3,456	6,046	6,046	8,093	8,093	8,093	60,563.00
RATE PER SQ. FT	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.15	1.15	1.15	1.15	1.15	13.38
MONTHLY RENTAL EXPENSE	3,767.04	3,767.04	3,767.04	3,767.04	3,767.04	3,767.04	3,767.04	6,952.90	6,952.90	9,306.95	9,306.95	9,306.95	68,185.93
2000 - 2001													
SQUARE FEET	8,093	8,093	8,093	8,093	8,093	8,093	8,093	8,093	8,093	8,093	8,093	8,093	97,116.00
RATE PER SQ. FT	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	13.80
MONTHLY RENTAL EXPENSE	9,306.95	9,306.95	9,306.95	9,306.95	9,306.95	9,306.95	9,306.95	9,306.95	9,306.95	9,306.95	9,306.95	9,306.95	111,683.40
2001 - 2002													
SQUARE FEET	7,389	7,389	7,389	7,389	7,389	7,389	7,389	7,389	7,389	7,389	7,389	7,389	88,673.76
RATE PER SQ. FT	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	13.80
MONTHLY RENTAL EXPENSE	8,497.90	8,497.90	8,497.90	8,497.90	8,497.90	8,497.90	8,497.90	8,497.90	8,497.90	8,497.90	8,497.90	8,497.90	101,974.82
OTHER RENTAL PAID TO 'BELL SOUTH PRO CABS', REPORTED TO TRAAS BUILDING RENTAL IN ERROR			2,192.50	2,192.50	2,192.50	2,866.78	3,604.04	2,897.63	2,890.00	2,890.00	1,627.50	4,152.50	27,506.85
TOTAL REPORTED ON 2001 - 2001 REPORT													129,481.67

Telecom Wage Analysis for 2001

G/L Account #	G/L Amount	Capitalized Labor	Total Costs	Total Costs by Dept.	Wages from Payroll
116210.020	222,242.12		222,242.12		
116210.021	500.83		500.83	222,742.95	221,515.80
126410.020	82,221.02	285,269.22	367,490.24		
126410.021	9,846.67	7,273.12	17,119.79	384,610.03	394,212.94
136530.020	67,536.35	124,344.69	191,881.04		
136530.021	976.69		976.69	192,857.73	196,487.75
146510.020	130,066.61		130,066.61		
146510.021	1,827.21		1,827.21	131,893.82	133,007.62
206610.020	524,519.02		524,519.02		
206610.023	300,019.65		300,019.65	824,538.67	822,421.78
306620.020	63,216.98		63,216.98		
306620.021	2,036.28		2,036.28	65,253.26	64,437.04
906710.020	154,929.27		154,929.27		
906720.020	60,089.54		60,089.54	215,018.81	204,215.32
TOTALS	1,620,028.24	416,887.03	2,036,915.27	2,036,915.27	2,036,298.25

# Telecom Wage Analysis for 2001

Dept #	Emp #	Name	Hire Date	Term Date	Wages	
11	950	Krajesky, Edwin	8/2/1999		86,977.22	
11	970	Brannon, Christopher	2/21/2000	2/16/2001	33,242.97	
11	972	Seiffert, John	3/13/2000		16,348.85	Moved
11	1011	Morris, James	6/26/2000	7/12/2000	2,005.09	
11	1017	Purcell, John	7/26/2000		56,197.27	
11	1059	Massengall, Stacey	2/5/2001		3,327.09	Moved
11	1061	Harper, Sharolynn	2/19/2001		23,417.31	
					221,515.80	
12	541	Owens, Gary	7/15/1991		74,953.61	
12	794	Lockhart, Glynn	10/28/1996		58,078.63	
12	966	Garrett, Jeremy	2/7/2000		45,226.83	
12	971	Mercer, Craig	2/21/2000		59,564.50	
12	972	Seiffert, John	3/13/2000		38,629.11	Moved
12	974	Roden, Frank	4/17/2000		51,154.87	
12	1032	Jones, Kenneth	10/23/2000		33,874.01	
12	1054	Payne, Mark	1/8/2001		23,979.63	
12	1059	Massengall, Stacey	2/5/2001		8,751.75	Moved
					394,212.94	
13	895	Hay III, Robert	9/23/1998		82,441.31	
13	965	Dotson, Jimmy	2/7/2000		65,354.05	
13	984	Moore, Robbie	5/8/2000	3/7/2003	35,943.50	
13	1074	Brown, Leslie	4/2/2001		12,748.89	
					196,487.75	
14	957	Williams, Andrea	9/13/1999	9/20/2001	49,882.06	
14	963	Donaldson, Dale	2/1/2000		36,802.56	
14	969	Pursley, Marilyn	2/21/2000	7/12/2002	35,435.80	
14	1044	Kinsey, Christie	12/4/2000	3/19/2001	8,944.80	
14	1110	Lucas, Valerie	6/11/2001		1,442.40	
14	1113	Sanford, Melissa	6/25/2001	9/9/2002	500.00	
					133,007.62	
20	951	Hunsucker, Elizabeth	8/9/1999	4/9/2002	127,790.21	
20	958	George, Deborah Lee	10/4/1999		145,406.88	
20	962	Glass, Jeffrey	1/4/2000		113,825.62	
20	964	Rowden, Todd	2/7/2000		77,851.03	
20	967	Whitaker, Matthew	2/7/2000	4/12/2002	45,832.45	Moved
20	968	Callahan, Michael	2/7/2000	10/27/2000	28,220.43	
20	988	Savard, Louis	5/15/2000		113,420.86	
20	1012	Vreeland, Catherine	6/26/2000	7/6/2001	74,778.41	
20	1038	Keith, Stacy	11/13/2000		41,250.76	
20	1041	King, Ann	11/27/2000		47,200.33	
20	1108	Peace, Sherry	6/4/2001		6,364.00	
20	1111	Brewster, Scott	6/25/2001		480.80	
					822,421.78	
30	349	Owens, Katherine	9/21/1981		39,316.49	
30	537	McEvoy, Marcia	4/12/1999	2/19/2001	14,031.47	
30	967	Whitaker, Matthew	2/7/2000		(36.51)	Moved

# Telecom Wage Analysis for 2001

30	1005	Hewitt, Gregory	5/30/2000		6,760.48	Moved
30	1083	Frizzell, Misty	5/7/2001	9/6/2002	4,365.11	
					64,437.04	
90	934	Chapman Jr., William	5/17/1999	1/31/2003	147,503.17	
90	1005	Hewitt, Gregory	5/30/2000		56,712.15	Moved
					204,215.32	
				TOTAL	2,036,298.25	

Telecom Wage Analysis for 2002

G/L Account #	G/L Amount	Capitalized Labor	Total Costs	Total Costs by Dept.	Wages from Payroll
116210.020	326,808.55		326,808.55		
116210.021	1,637.41		1,637.41	328,445.96	320,787.58
126410.020	101,207.25	290,868.97	392,076.22		
126410.021	42,088.19	7,774.18	49,862.37	441,938.59	437,504.88
136530.020	70,101.18	179,989.67	250,090.85		
136530.021	2,214.65		2,214.65	252,305.50	245,400.01
146510.020	195,437.17		195,437.17		
146510.021	-		-	195,437.17	196,843.88
206610.020	616,466.65		616,466.65		
206610.023	393,428.35		393,428.35	1,009,895.00	1,013,642.25
306620.020	128,253.44		128,253.44		
306620.021	8,943.46		8,943.46	137,196.90	130,145.89
906710.020	192,776.80		192,776.80		
906720.020	-		-	192,776.80	186,976.80
	2,079,363.10	478,632.82	2,557,995.92	2,557,995.92	2,531,301.29

Telecom Wage Analysis for 2002

Dept #	Emp #	Name	Hire Date	Term Date	Wages	
11	950	Krajesky, Edwin	8/2/1999		94,516.40	
11	972	Seiffert, John	3/13/2000		53,939.12	
11	1017	Purcell, John	7/26/2000		58,663.05	
11	1061	Harper, Sharolynn	2/19/2001		56,927.20	
11	1117	Kaul, Jennifer	8/20/2001		56,741.81	
					320,787.58	
12	541	Owens, Gary	7/15/1991		84,467.00	
12	794	Lockhart, Glynn	10/28/1996		55,477.03	
12	966	Garrett, Jeremy	2/7/2000		48,487.72	
12	971	Mercer, Craig	2/21/2000		61,133.08	
12	974	Roden, Frank	4/17/2000		55,586.18	
12	1032	Jones, Kenneth	10/23/2000		52,427.93	
12	1054	Payne, Mark	1/8/2001		48,142.19	
12	1059	Massengall, Stacey	2/5/2001		31,783.75	
					437,504.88	
13	895	Hay III, Robert	9/23/1998		83,841.96	
13	965	Dotson, Jimmy	2/7/2000		60,642.37	
13	984	Moore, Robbie	5/8/2000	3/7/2003	41,747.08	
13	1074	Brown, Leslie	4/2/2001		52,074.35	
13	1141	Steinman, Jennifer	5/13/2002		1,512.00	Student
13	1142	Ford, Austin	5/13/2002	8/2/2002	1,620.00	Student
13	1145	Smith, Emily	5/13/2002	7/12/2002	1,350.00	Student
13	1148	Smith, Kandie	5/20/2002	8/9/2002	1,296.00	Student
13	1149	Roberts, Lazetta	5/20/2002	8/9/2002	1,316.25	Student
					245,400.01	
14	957	Williams, Andrea	9/13/1999	9/20/2001	16,778.39	
14	963	Donaldson, Dale	2/1/2000		44,405.28	
14	969	Pursley, Marilyn	2/21/2000	7/12/2002	35,700.37	
14	1005	Hewitt, Gregory	5/30/2000		6,600.08	Moved
14	1038	Keith, Stacy	11/13/2000		10,920.80	Moved
14	1110	Lucas, Valerie	6/11/2001	3/19/2001	24,809.28	
14	1113	Sanford, Melissa	6/25/2001	9/9/2002	25,900.00	
14	1114	Gifford, Gerald	7/2/2001		3,173.28	Moved
14	1115	Layne, Kelli	7/2/2001		28,556.40	
					196,843.88	
20	951	Hunsucker, Elizabeth	8/9/1999	4/9/2002	127,584.24	
20	958	George, Deborah Lee	10/4/1999		131,358.34	
20	962	Glass, Jeffrey	1/4/2000		100,256.03	
20	964	Rowden, Todd	2/7/2000		80,512.92	
20	967	Whitaker, Matthew	2/7/2000	4/12/2002	39,909.67	
20	988	Savard, Louis	5/15/2000		122,027.92	
20	1012	Vreeland, Catherine	6/26/2000	7/6/2001	1,057.76	
20	1038	Keith, Stacy	11/13/2000		25,557.90	Moved
20	1041	King, Ann	11/27/2000		58,800.71	
20	1108	Peace, Sherry	6/4/2001		91,627.97	
20	1111	Brewster, Scott	6/25/2001		54,986.55	
20	1114	Gifford, Gerald	7/2/2001		41,792.76	Moved

# Telecom Wage Analysis for 2002

20	1116	Provonsha, Patricia	7/23/2001	9/24/2001	8,615.43	
20	1122	Stephens, Sandra	10/22/2001		35,724.58	
20	1123	Durham, Crystal	10/22/2001		32,128.95	
20	1124	Ward, Diana	10/22/2001		31,119.54	
20	1131	McVay, Jason	1/22/2002		28,960.98	
20	1143	Nix, Christin	5/13/2002	8/15/2002	1,620.00	Student
					1,013,642.25	
30	349	Owens, Katherine	9/21/1981		44,094.05	
30	1005	Hewitt, Gregory	5/30/2000		61,553.44	Moved
30	1083	Frizzell, Misty	5/7/2001	9/6/2002	24,498.40	
					130,145.89	
90	934	Chapman Jr., William	5/17/1999	1/31/2003	186,976.80	
					186,976.80	
				TOTAL	2,531,301.29	

**Allocation of Charges for  
Across the Board, Spotlight, and Employee Calendar**

<b>FY 1999-2000</b>					
	<b>Charges</b>			<b>Average No Employees</b>	
	<b>Total</b>	<b>Electric</b>	<b>Telecom</b>	<b>Electric</b>	<b>Telecom</b>
Across the Board	37,446.52	36,714.18	732.33	752	15
Spotlight	86,999.87	85,298.44	1,701.43	752	15
Employee Calendar	8,497.40	8,331.22	166.18	752	15
<b>Total</b>	<b>132,943.79</b>	<b>130,343.84</b>	<b>2,599.94</b>		

<b>FY 2000-2001</b>					
	<b>Charges</b>			<b>Average No Employees</b>	
	<b>Total</b>	<b>Electric</b>	<b>Telecom</b>	<b>Electric</b>	<b>Telecom</b>
Across the Board	23,002.16	22,118.61	883.55	738.5	29.5
Spotlight	40,433.62	38,880.51	1,553.11	738.5	29.5
Employee Calendar	15,233.03	14,647.91	585.12	738.5	29.5
<b>Total</b>	<b>78,668.81</b>	<b>75,647.03</b>	<b>3,021.78</b>		

<b>FY 2001-2002</b>					
	<b>Charges</b>			<b>Average No Employees</b>	
	<b>Total</b>	<b>Electric</b>	<b>Telecom</b>	<b>Electric</b>	<b>Telecom</b>
Across the Board	32,305.50	30,743.01	1,562.49	728	37
Spotlight	59,206.93	56,343.33	2,863.60	728	37
Employee Calendar	15,888.25	15,119.80	768.45	728	37
<b>Total</b>	<b>107,400.68</b>	<b>102,206.14</b>	<b>5,194.54</b>		

Retirees are all Electric employees.



# TELECOM POSTAGE

Date	Telecom Customers	Total Postage	Average per Bill
30-Jun-02	1,775		
31-May-02	1,693		
30-Apr-02	1,625		
31-Mar-02	1,489		
28-Feb-02	1,460		
31-Jan-02	1,380		
31-Dec-01	1,350		
30-Nov-01	1,235		
31-Oct-01	1,175		
30-Sep-01	1,090		
31-Aug-01	1,009		
31-Jul-01	940		
FY2001-02	16,221	\$ 9,828.08	\$ 0.606
	Total Bills	Actual	

30-Jun-01	874		
31-May-01	807		
30-Apr-01	740		
31-Mar-01	673		
28-Feb-01	606		
31-Jan-01	539		
31-Dec-00	472		
30-Nov-00	405		
31-Oct-00	338		
30-Sep-00	271		
31-Aug-00	204		
31-Jul-00	137		
FY2000-01	6,066	\$ 3,676.00	
	Total Bills	Allocated	

30-Jun-00	65		
31-May-00	30		
30-Apr-00	15		
31-Mar-00	5		
28-Feb-00	-		
31-Jan-00	-		
31-Dec-99	-		
30-Nov-99	-		
31-Oct-99	-		
30-Sep-99	-		
31-Aug-99	-		
31-Jul-99	-		
FY1999-00	115	\$ 69.69	
	Total Bills	Allocated	

TELECOMMUNICATIONS REMITTANCE PROCESSING ALLOCATION

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
<b>Fiscal Year 1999-2000</b>													
Remittance Processing Expense	23,466.96	24,077.29	27,307.54	26,938.29	32,293.45	37,835.61	34,004.34	32,193.43	37,479.81	31,731.13	35,802.01	37,807.91	
Telecom Customers	0	0	0	0	0	0	0	0	5	15	30	65	
Electric Customers	155,155	156,271	155,783	155,410	155,107	155,252	155,614	155,881	156,564	155,441	156,657	156,761	
Total Customers	155,155	156,271	155,783	155,410	155,107	155,252	155,614	155,881	156,569	155,456	156,687	156,826	
Telecom Remittance Processing Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.20	3.06	6.85	15.71	26.82
<b>Fiscal Year 2000-2001</b>													
Remittance Processing Expense	36,760.04	43,277.10	54,112.26	41,081.03	45,323.05	34,444.94	38,161.14	29,131.71	27,667.91	28,527.40	26,773.43	29,844.96	
Telecom Customers	137	204	271	338	405	472	539	606	673	740	807	874	
Electric Customers	156,624	157,667	156,354	157,595	156,916	156,972	157,121	157,766	157,703	157,396	157,934	157,870	
Total Customers	156,761	157,871	156,625	157,933	157,321	157,444	157,660	158,392	158,376	158,136	158,741	158,744	
Telecom Remittance Processing Expense	32.13	55.92	93.63	87.92	116.68	103.26	133.88	111.46	117.57	133.49	146.28	164.32	1,296.54
<b>Fiscal Year 2001-2002</b>													
Remittance Processing Expense	21,207.11	31,895.99	26,618.16	30,091.97	30,000.08	24,234.08	24,873.22	24,873.22	21,726.78	27,814.28	30,350.55	24,203.79	
Telecom Customers	940	1,009	1,090	1,175	1,235	1,350	1,380	1,460	1,489	1,625	1,693	1,775	
Electric Customers	156,095	158,632	157,846	158,607	158,102	157,578	158,286	158,335	158,496	159,147	159,240	159,179	
Total Customers	156,035	159,641	158,936	159,782	159,337	158,928	159,666	159,795	159,985	160,772	160,933	160,954	
Telecom Remittance Processing Expense	125.35	201.60	183.92	221.29	232.53	205.85	214.98	227.26	202.21	281.13	319.28	266.92	2,682.32
TOTAL													4,005.68

EPB TELECOM  
TELECOMMUNICATIONS PLANT  
JUNE 30, 2000

PLANT ACCOUNT	DESCRIPTION	TOTAL TELECOM PLANT	ACCUMULATED DEPRECIATION	NET TELECOM PLANT	DEPRECIATION RATE*	FY1999-00 DEPRECIATION EXPENSE
<u>Telecommunications Plant</u>						
21120.400	Vehicles	\$ 82,333.23	\$ 1,686.30	\$ 80,646.93	20%	\$ 1,686.30
21140.400	Work Equipment	279,273.48	19,049.86	260,223.62	15%	19,049.86
21210.400	Building	141,635.43	1,263.68	140,371.75	4%	1,263.68
21220.400	Furniture	123,522.45	4,362.39	119,160.06	10%	4,362.39
21240.400	Computers	317,018.11	24,231.74	292,786.37	20%	24,231.74
22100.400	Central Office Equipment	2,907,722.59	126,866.46	2,780,856.13	10%	126,866.46
23100.400	Network Access Nodes & Equipment	401,209.08	15,025.20	386,183.88	10%	15,025.20
23110.400	Customer Access Equipment - on Net	406.95	2,436.51	(2,029.56)	10%	2,436.51
23120.400	Customer Access Equipment - off Net	-	-	-	10%	-
23210.400	Customer Premise Equipment	151,757.37	-	151,757.37	20%	-
24100.400	Fiber Network	1,934,692.62	66,745.96	1,867,946.66	5%	66,745.96
24101.400	Interconnect & Collocation Equipment	273,165.82	2,012.80	271,153.02	4%	2,012.80
24106.400	Local Distribution Facilities	-	-	-	10%	-
26820.400	Leasehold Improvements	-	-	-	4%	-
	Sub-total	\$ 6,612,737.13	\$ 263,680.90	\$ 6,349,056.23		\$ 263,680.90
	Construction Work in Progress	772,545.03	-	772,545.03		
Total		\$ 7,385,282.16	\$ 263,680.90	\$ 7,121,601.26		

\*All straight line based on previous months GL balance.

EPB TELECOM  
TELECOMMUNICATIONS PLANT  
JUNE 30, 2001

PLANT ACCOUNT	DESCRIPTION	TOTAL TELECOM PLANT	ACCUMULATED DEPRECIATION	NET TELECOM PLANT	DEPRECIATION RATE*	FY2000-01 DEPRECIATION EXPENSE
<u>Telecommunications Plant</u>						
21120.400	Vehicles	\$ 82,333.23	\$ 17,752.89	\$ 64,580.34	20%	\$ 16,066.59
21140.400	Work Equipment	296,665.69	61,996.20	234,669.49	15%	42,946.34
21210.400	Building	36,321.35	1,937.15	34,384.20	4%	673.47
21220.400	Furniture	143,528.04	17,003.84	126,524.20	10%	12,641.45
21240.400	Computers	324,966.11	87,788.35	237,177.76	20%	63,556.61
22100.400	Central Office Equipment	4,644,183.17	477,394.19	4,166,788.98	10%	350,527.73
23100.400	Network Access Nodes & Equipment	2,444,323.40	132,683.43	2,311,639.97	10%	117,658.23
23110.400	Customer Access Equipment	45,126.45	1,300.33	43,826.12	10%	1,300.33
23120.400	Customer Access Equipment - on Net	25,779.86	1,083.10	24,696.76	10%	1,083.10
23210.400	Customer Access Equipment - off Net	912,775.93	58,801.90	853,974.03	20%	58,801.90
24100.400	Customer Premise Equipment	2,005,099.90	149,231.51	1,855,868.39	5%	82,485.55
24101.400	Fiber Network	511,522.22	19,458.25	492,063.97	4%	15,008.94
24106.400	Interconnect & Collocation Equipment	-	-	-	10%	-
26820.400	Local Distribution Facilities	165,281.16	5,443.01	159,838.15	4%	5,443.01
	Leasehold Improvements					
	Sub-total	\$ 11,637,906.51	\$ 1,031,874.15	\$ 10,606,032.36		\$ 768,193.25
	Construction Work in Progress	140,371.65	-	140,371.65		
	Total	\$ 11,778,278.16	\$ 1,031,874.15	\$ 10,746,404.01		

\*All straight line based on previous months GL balance, except for vehicles starting 4/01 was straight line on a per unit basis.

EPB TELECOM  
TELECOMMUNICATIONS PLANT  
JUNE 30, 2002

PLANT ACCOUNT	DESCRIPTION	TOTAL TELECOM PLANT	ACCUMULATED DEPRECIATION	NET TELECOM PLANT	DEPRECIATION RATE*	FY2001-02 DEPRECIATION EXPENSE
<u>Telecommunications Plant</u>						
21120.400	Vehicles	\$ 103,358.23	\$ 33,129.15	\$ 70,229.08	20%	\$ 15,376.26
21140.400	Work Equipment	306,011.36	106,496.04	199,515.32	15%	44,499.84
21210.400	Building	55,432.48	3,389.99	52,042.49	4%	1,452.84
21220.400	Furniture	172,747.79	31,356.68	141,391.11	10%	14,352.84
21240.400	Computers	528,353.62	152,781.55	375,572.07	20%	64,993.20
22100.400	Central Office Equipment	5,658,148.94	941,812.55	4,716,336.39	10%	464,418.36
23100.400	Network Access Nodes & Equipment	2,873,882.30	377,555.15	2,496,327.15	10%	244,871.72
23110.400	Customer Access Equipment - on Net	1,019,915.01	42,875.83	977,039.18	10%	41,575.50
23120.400	Customer Access Equipment - off Net	26,098.38	3,661.06	22,437.32	10%	2,577.96
23210.400	Customer Premise Equipment	597,539.54	166,203.84	431,335.70	20%	107,401.94
24100.400	Fiber Network	2,144,443.44	231,231.47	1,913,211.97	5%	81,999.96
24101.400	Interconnect & Collocation Equipment	751,826.05	39,919.09	711,906.96	4%	20,460.84
24106.400	Local Distribution Facilities	-	-	-	10%	-
26820.400	Leasehold Improvements	165,281.16	12,054.29	153,226.87	4%	6,611.28
	Sub-total	\$ 14,403,038.30	\$ 2,142,466.69	\$ 12,260,571.61		\$ 1,110,592.54
	Construction Work in Progress	8,520.41	-	8,520.41		
	Total	\$ 14,411,558.71	\$ 2,142,466.69	\$ 12,269,092.02		

\*All straight line based on previous months GL balance, except for vehicles which are straight line based on a per unit basis.

ELECTRIC POWER BOARD OF CHATTANOOGA  
TELECOMMUNICATIONS

TRANSACTION REPORT BY CENTER  
REPORT 30003

PAGE 10  
06/01/2000 THRU 06/30/2000 ISSUED 07/12/2000

SOURCE CODE	DATE	DEBITS	CREDITS	BALANCE	DESCRIPTION	CHECK NO	PRD CODE
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TOTAL TOTAL TELECOM LIABIL 743,284.49 1,490,120.08 11,121,148.56- ENDING BALANCE

*** ACCOUNT	619000 ACCUMULATED NET INCOME		3,478,100.14	BEGINNING BALANCE			
1500000072	06-30-2000	485,258.08		NET INCOME			
TOTAL 619000		485,258.08	3,963,358.22	ENDING BALANCE			

TOTAL 6190 485,258.08 3,963,358.22 ENDING BALANCE

*** ACCOUNT	619500 REVENUE & EXPENSE OFFSET		3,091,732.95	BEGINNING BALANCE			
1500000072	06-30-2000	485,258.08		EXPENSE OFFSET			
TOTAL 619500		485,258.08	3,576,991.00-	ENDING BALANCE			

TOTAL 6195 485,258.08 3,576,991.00- ENDING BALANCE

*** ACCOUNT	620101 LOCAL SERVICE REVENUE	4,241.54		BEGINNING BALANCE			
1500000074	06-30-2000	270.00		LOCAL SERVICE REVENUE BILLED			
1500000074	06-30-2000		15,826.67	LOCAL SERVICE REVENUE BILLED			
1500000074	06-30-2000		3,917.70	LOCAL SERVICE REVENUE BILLED			
TOTAL 620101		4,511.54	19,744.37	ENDING BALANCE			

TOTAL 6201 4,511.54 19,744.37 22,028.70- ENDING BALANCE

*** ACCOUNT	620201 LONG DISTANCE REVENUE		1,387.88	BEGINNING BALANCE			
1500000074	06-30-2000	218.17		LONG DISTANCE REVENUE BILLED			
1500000074	06-30-2000	196.81		LONG DISTANCE REV BILL-ADJ UN			
1500000074	06-30-2000		510.48	LONG DISTANCE REVENUE BILLED			
TOTAL 620201		414.98	1,868.36	ENDING BALANCE			

TOTAL 6202 414.98 1,868.36 1,795.02- ENDING BALANCE

*** ACCOUNT	624101 DATA CIRCUIT REVENUE		1,391.00	BEGINNING BALANCE			
1500000074	06-30-2000		1,035.40	DATA CIRCUIT REVENUE BILLED			
1500000074	06-30-2000	238.50		DATA CIRCUIT REVENUE BILLED			
1500000074	06-30-2000		200.67	DATA CIRCUIT REV BILL-ADJ UN			
TOTAL 624101		238.50	2,627.07	ENDING BALANCE			

TOTAL 6241 238.50 2,627.07 2,801.37- ENDING BALANCE

*** ACCOUNT	624501 WHOLESALE TRANSP. REVENUE		59,159.87	BEGINNING BALANCE			
1500000030	06-30-2000		5,435.17	MISCELLANEOUS ADJUSTMENTS - 30			
TOTAL 624501			5,435.17	ENDING BALANCE			

TOTAL 6245 5,435.17 64,595.04- ENDING BALANCE

*** ACCOUNT	627001 MISC REVENUE			BEGINNING BALANCE			
TOTAL 6245				ENDING BALANCE			

TOTAL 6245 5,435.17 64,595.04- ENDING BALANCE

*** ACCOUNT	627001 MISC REVENUE			BEGINNING BALANCE			
TOTAL 6245				ENDING BALANCE			

TOTAL 6245 5,435.17 64,595.04- ENDING BALANCE

SOURCE CODE	DATE	DEBITS	CREDITS	BALANCE	DESCRIPTION	CHECK NO	PRG CODE
<b>*** ACCOUNT 627001 MISC REVENUE</b>							
1000020371	06-09-2000		19.92		HAMILTON COUNTY 911		
1000020493	06-13-2000		11.32		TENN DEPT OF REVENUE		
TOTAL 627001			31.24	31.24	ENDING BALANCE		
TOTAL 6270			31.24	31.24	ENDING BALANCE		
<b>TOTAL TOTAL TELECOM REVENUE 5,165.02 29,706.21 91,251.37- ENDING BALANCE</b>							
<del> <b>*** ACCOUNT 631006 631006 VEHICLE EXP. &amp; TRANSPORT</b> </del>							
3000000000	06-30-2000	907.57		0.00	ENDING BALANCE		
TOTAL 631006		907.57		3,231.02	ENDING BALANCE		
TOTAL 6310		907.57		3,231.02	ENDING BALANCE		
<del> <b>*** ACCOUNT 632004 632004 TOOL &amp; EQUIP. MATS &amp; SUPPLS.</b> </del>							
TOTAL 632004				1,496.95	BEGINNING BALANCE		
TOTAL 6320				1,496.95	ENDING BALANCE		
<del> <b>TOTAL 6320 1,496.95 ENDING BALANCE</b> </del>							
<del> <b>*** ACCOUNT 641003 641003 BLDG. MAINT. OVS. LABOR</b> </del>							
1000020379	06-28-2000	933.07		10,629.61	BEGINNING BALANCE		
TOTAL 641003		933.07		14,582.68	ENDING BALANCE		
<del> <b>*** ACCOUNT 641004 641004 BLDG. MAINT. MATS &amp; SUPPLS.</b> </del>							
TOTAL 641004				241.96	BEGINNING BALANCE		
TOTAL 6410		933.07		14,824.64	ENDING BALANCE		
<b>*** ACCOUNT 651002 651002 PLANT SUPERV-OFFICE LAB.</b>							
1500000071	06-30-2000	1,000.00		127,487.11	BEGINNING BALANCE		
3200000000	06-30-2000	9,878.14			BONUS ACCRUALS		
TOTAL 651002		10,878.14		128,365.25	ENDING BALANCE		
<b>*** ACCOUNT 651003 651003 PLANT SUPERV-OVS. LABOR</b>							
TOTAL 651003				1,387.20	BEGINNING BALANCE		
TOTAL 651003				1,387.20	ENDING BALANCE		
<b>*** ACCOUNT 651004 651004 PLANT SUPERV-MAT&amp;SUPPLS.</b>							
TOTAL 651004				351.60	BEGINNING BALANCE		
TOTAL 651004				351.60	ENDING BALANCE		
<b>*** ACCOUNT 651022 651022 PLANT SUPERV-TRAVEL EXPS</b>							
TOTAL 651022				3,390.67	BEGINNING BALANCE		
TOTAL 651022				3,390.67	ENDING BALANCE		
<b>*** ACCOUNT 651025 651025 PLANT SUPERV-TELEPHONE</b>							
TOTAL 651025				248.89	BEGINNING BALANCE		
TOTAL 651025				248.89	ENDING BALANCE		
<b>*** ACCOUNT 651026 651026 PLANT SUPERV-MOBILE PHONE</b>							
1000020516	06-14-2000	78.18		417.34	BEGINNING BALANCE		
TOTAL 651026		78.18		495.52	ENDING BALANCE		
<b>*** ACCOUNT 651090 651090 PLANT SUPERV-GENERAL</b>							
TOTAL 651090				2,385.86	BEGINNING BALANCE		
TOTAL 651090				2,385.86	ENDING BALANCE		



# Telecom Revenue for FY 2000-2001

Gh Dept	Gh Acct	Gh Date	Gl Desc	Gh Debit	Gh Credit	Net
Total for Accoun	5000.500		LOCAL SERVICE REVENUE			0.00
Total for Accoun	5000.501		LOCAL UNE SERVICE			(838,649.05)
Total for Accoun	5000.502		LOCAL SVC REV/TRUNKS			(134,498.96)
Total for Accoun	5000.503		LOCAL SRVC. REVENUE-DAT			(51,506.14)
Total for Accoun	5000.506		SWITCHED-I-NET/DATA			(4,046.00)
Total for Accoun	5000.526		QUICK CONNECT REVENUE			(629,188.84)
Total for Accoun	5000.527		ISDN/BRI REVENUE			(10,650.00)
Total for Accoun	5082.516		SW ACCESS REV-INTRASTAT			(51,874.03)
Total for Accoun	5082.517		SW ACCESS REV-INTERSTAT			(167,010.56)
Total for Accoun	5084.500		STATE ACCESS REVENUE			(31,432.69)
Total for Accoun	5084.518		LOCAL ACCESS-INTERCONNE			(3,457.37)
Total for Accoun	5084.519		LOCAL ACCESS-TRUNK REVE			(3,479.06)
Total for Accoun	5100.500		L/D NET SERVICE REVENUE			(133,002.31)
Total for Accoun	5200.500		MISCELLANEOUS REVENUE			0.00
Total for Accoun	5240.500		W/S TRANSP REV.-DRK FIB			(65,222.04)
Total for Accoun	5300.500		LOSS ON UNCOLL REVENUE			10,507.00
Total for Accoun	7300.500		NON-OPER INCOME & EXP			(12,882.60)
Total Revenue for Telecom						(2,126,392.65)

SCHEDULE 17B



## Telecom Revenue for FY 2001-2002

Gh Dept	Gh Acct	Gh Date	Gl Desc	Gh Debit	Gh Credit	Net
Total for Accoun	5000.501		LOCAL UNE SERVICE			(1,431,825.93)
Total for Accoun	5000.502		LOCAL SVC REV/TRUNKS			(577,527.39)
Total for Accoun	5000.503		LOCAL SRVC. REVENUE-DAT			(145,589.22)
Total for Accoun	5000.506		SWITCHED-I-NET/DATA			(24,877.99)
Total for Accoun	5000.526		QUICK CONNECT REVENUE			(2,599,061.77)
Total for Accoun	5000.527		ISDN/BRI REVENUE			(61,791.50)
Total for Accoun	5082.516		SW ACCESS REV-INTRASTAT			(88,002.03)
Total for Accoun	5082.517		SW ACCESS REV-INTERSTAT			(462,962.42)
Total for Accoun	5084.518		LOCAL ACCESS-INTERCONNE			(18,905.24)
Total for Accoun	5084.519		LOCAL ACCESS-TRUNK REVE			(86,811.00)
Total for Accoun	5100.500		L/D NET SERVICE REVENUE			(452,997.97)
Total for Accoun	5200.500		MISCELLANEOUS REVENUE			(1,939.94)
Total for Accoun	5240.500		W/S TRANSP REV.-DRK FIB			(59,672.04)
Total for Accoun	5300.500		LOSS ON UNCOLL REVENUE			30,308.00
Total for Accoun	7100.500		OTH OPER INCOME & EXP			0.00
Total for Accoun	7200.501		IN LIEU OF TAXES			0.00
Total for Accoun	7300.500		NON-OPER INCOME & EXP			(65,879.83)
Total Revenue for Telecom						(6,047,536.27)

SCHEDULE 17C